## HOUSE REPUBLICANS SLASH \$800 MILLION FROM SOCIAL SECURITY, TO COST TAXPAYERS \$6 BILLION

Social Security Actuary outlines \$6 billion potential cost from cutting SSA's program integrity operations

WASHINGTON – Today, Social Security's Chief Actuary <u>estimated</u> that the proposal by House Republicans to cut nearly \$800 million from the Social Security Administration's operating budget could end up costing taxpayers \$6 billion in waste, fraud and abuse that the Social Security Administration would otherwise prevent through "program integrity" reviews.

"First they voted to end Medicare. Now they have proposed slashing almost \$800 million from Social Security's operating budget," said Rep. Xavier Becerra (D-CA), Vice Chair of the House Democratic Caucus and Ways and Means Social Security Subcommittee Ranking Member.

"What's worse, the bulk of this reckless cut would shortchange Social Security's ability to fight waste, fraud and abuse. In the end, as much as \$6 billion of the taxpayers' money could be lost. Social Security's money should be going towards the benefits of those who have earned it."

"No business in America would cut an investment that produces between \$6 and \$9 in savings for every one dollar spent, but that's the very plan Congressional Republicans have put forward," said Rep. Lloyd Doggett (D-TX), Ranking Member of the Human Resources Subcommittee.

"They follow their extreme ideology even when it is clearly contradicted by common sense."

As part of the Budget Control Act (BCA), Republicans and Democrats agreed to increase funding for program reviews, two of the Social Security Administration's (SSA's) most effective tools for fighting waste, fraud, and abuse. The program reviews, called "continuing disability reviews" and "eligibility redeterminations," are proven to save taxpayers \$6 to \$9 for every dollar invested. The Congressional Budget Office <a href="estimated">estimated</a> that the additional reviews would increase BCA's deficit reduction effect by \$12 billion over the next decade, an amount Speaker Boehner included in <a href="his deficit reduction">his deficit reduction</a> for the BCA

agreement. CBO also said there would be significant savings beyond 2021.

Rather than keep the commitment made in the BCA, the Labor, Health and Human Services, and Education Appropriations bill approved by the House Appropriations Subcommittee would cut funding for these reviews by 64 percent, funding them at <a href="the-lowest-level-since-congress-began providing a dedicated funding stream in 2009">the-lowest-level-since-congress-began providing a dedicated funding stream in 2009</a>

. In response to a question from Ways and Means Democrats, Social Security's Chief Actuary said that funding at the level in the House Republican bill, rather than the level in the Budget Control Act, would

increase

spending by between \$5 and \$6 billion above what it would be under the BCA agreement and by \$3 to \$4 billion over what it would be if SSA were able to continue its program accuracy work at its current level.